

**Component Unit Year End Reporting Memorandum – FY 2007**  
**Attachment CU7 – Instructions**  
**GASBS No. 20 for Proprietary Funds**

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<b>Purpose</b>	To determine the <b><u>GASBS No. 20</u></b> reporting option the Component Unit uses to report its business-type activity. This attachment is similar to prior year Attachment CU7.
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<b>Applicable entities</b>	<ul style="list-style-type: none"><li>• A.L. Philpott Manufacturing Extension Partnership</li><li>• Hampton Roads Sanitation District Commission</li><li>• Small Business Financing Authority</li><li>• Virginia Biotechnology Research Park Authority</li><li>• Virginia Equine Center Foundation and Virginia Horse Center Foundation</li><li>• Virginia Housing Development Authority</li><li>• Virginia Port Authority and Virginia International Terminals</li><li>• Virginia Resources Authority</li></ul>
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<b>Due date</b>	<b>September 25, 2007</b>
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<b>Certification tab</b>	The <b>Certification</b> is new for FY 2007, and it requires the preparer and reviewer to type their name on this form. It is located at the end of the Attachment. Please note that there should be a segregation of duties; therefore, the preparer and the reviewer should not be the same individual. By typing a name, the individual is certifying that this attachment has been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same.
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<b>Submission requirements</b>	<p>Contact DOA if the entity has any problems with the files.</p> <p><b>After downloading the file, rename the spreadsheet file using the entity's acronym followed by AttCU7.</b> For example, the Virginia Resources Authority should rename its Attachment CU7.doc file as VRAAttCU7.doc.</p> <p><b>Submit the Word document electronically to <a href="mailto:finrept-cu@doa.virginia.gov">finrept-cu@doa.virginia.gov</a>.</b></p> <p><b>Copy APA via e-mail to <a href="mailto:APAFinRept@apa.virginia.gov">APAFinRept@apa.virginia.gov</a>.</b></p> <p><b>Do <u>not</u> submit paper copies of the Word attachment.</b></p>
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**GASBS No. 20**  
**requirements**

**GASBS No. 20**, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, provides governments two options for reporting proprietary fund activities (including component units reporting business-type activity). The options are as follows:

- **Option 1:** Apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued **on or before** November 30, 1989, unless those conflict with or contradict GASB pronouncements.
- **Option 2:** Apply all of the above pronouncements and also apply all FASB Statements and Interpretations issued **after** November 30, 1989 except for those that conflict with or contradict GASB pronouncements. **GASBS No. 29**, *The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities*, limits the application of FASB Statements and Interpretations issued after November 30, 1989 to those that are developed primarily for business enterprises.

**Options**  
**reported in the**  
**prior year**

The chart below contains the options reported in the prior year. If a different option is selected for the current year, the entity must provide the required disclosures for a change in accounting principle.

<b>Component Unit</b>	<b>Option</b>
A. L. Philpott Manufacturing Extension Partnership	Option 2
Hampton Roads Sanitation District Commission	Option 1
Small Business Financing Authority	Option 1
Virginia Biotechnology Research Park Authority	Option 2
Virginia Equine Center Foundation and Virginia Horse Center Foundation	Option 2
Virginia Housing Development Authority	Option 1
Virginia Port Authority and	N/A
Virginia International Terminals	Option 1
Virginia Resources Authority	Option 1